

**STATE OF MICHIGAN  
MICHIGAN DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of the Office of Financial and Insurance Regulation**

**In the matter of:**

**Enforcement Case No. 09-7059**

**Michael R. Kay  
License No. 0042162**

**Joyce H. Gibbs**

**Laura Kay**

**Kay Agency**

**Kay Agency, Inc.  
System ID: 0088637**

**HEALTHINSURANCEGIANT.COM, INC.  
System ID: 0088637**

**Respondents**

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Issued and entered  
this 14<sup>th</sup> day of January 2009  
by Stephen R. Hilker  
Chief Deputy Commissioner

**ORDER TO CEASE AND DESIST**

The Office of Financial and Insurance Regulation (OFIR) of the Michigan Department Of Energy, Labor And Economic Growth (formerly the "Michigan Department of Labor and Economic Growth"), pursuant to the Michigan Administrative Procedures Act of 1969, MCL 24.201 *et seq.*, (APA) and the Michigan Insurance Code (the Code), as amended, MCL 500.100 *et seq.*, and the rules promulgated under the Code, states the following:

## **BACKGROUND AND FINDINGS OF FACT**

1. Respondent Michael R. Kay, license number 0042162, is a licensed resident insurance producer in the State of Michigan with qualifications and authorizations to transact business selling, soliciting and/or negotiating Life, Accident, and Health insurance and Variable Annuities.
2. Respondent Michael R. Kay has been a licensed resident insurance producer in the State of Michigan since April 28, 1994.
3. Respondent Michael R. Kay's last known principal place of business was 1899 Orchard Lake Road, Suite 106, Sylvan Lake, MI 48320.
4. At all pertinent times Respondent KAY AGENCY, INC. was a corporation organized and incorporated in the State of Michigan pursuant to the provisions of Act 284, Public Acts of 1972, and the Business Corporation Act of Michigan based upon Articles of Incorporation filed with the Michigan Department of Labor and Economic Growth - Bureau of Commercial Services, Corporation Division, dated May 28, 1999.
5. In the Articles of Incorporation dated May 28, 1999 Respondent Joyce H. Gibbs is listed as the Owner/Incorporator of KAY AGENCY, INC.
6. In the Articles of Incorporation dated May 28, 1999 Respondent Michael R. Kay is listed as the Resident Agent of KAY AGENCY, INC.
7. On June 4, 1999 the Michigan Department of Labor and Economic Growth - Bureau of Commercial Services, Corporation Division assigned Respondent KAY AGENCY, INC. the corporate identification number: 118-44A. The last known address for Respondent KAY AGENCY, INC. was 1211 West Fort Street, Suite 1500, Detroit, MI 48226-3281.
8. On May 13, 2000 a Certificate of Amendment to the Articles of Incorporation was filed with the Michigan Department of Labor and Economic Growth - Bureau of Commercial Services, Corporation Division, to amend the corporate name from KAY AGENCY, INC to HEALTHINSURANCEGIANT.COM, INC.
9. The corporate identification number assigned to HEALTHINSURANCEGIANT.COM, INC by the Michigan Department of Labor and Economic Growth - Bureau of Commercial Services, Corporation Division, remained the same as the corporate identification number assigned to the corporate entity known as KAY AGENCY, INC: that number being 118-44A.
10. In the May 13, 2008 Certificate of Amendment to the Articles of Incorporation, the response to question Number 4, which asks for a "description of the general nature and kind of business in which the corporation is engaged," states "insurance sales."

11. In the May 13, 2000 Certificate of Amendment to the Articles of Incorporation the Respondent, Michael R. Kay, is listed as the President of HEALTHINSURANCEGIANT.COM, INC.
12. In the May 13, 2008 Certificate of Amendment to the Articles of Incorporation the Respondent, Laura Kay, is listed as the Owner, Secretary and Treasurer of HEALTHINSURANCEGIANT.COM, INC.
13. On October 31, 2000 a second Certificate of Amendment to the Articles of Incorporation was filed with the Michigan Department of Labor and Economic Growth - Bureau of Commercial Services, Corporation Division, to amend the corporate name from KAY AGENCY, INC., to HEALTHINSURANCEGIANT.COM, INC.
14. In the October 31, 2000 Certificate of Amendment to the Articles of Incorporation the Corporate Identification Number for HEALTHINSURANCEGIANT.COM, INC., remained the same as the one assigned to KAY AGENCY, INC., that being corporate identification number 118-44A.
15. On November 2, 2000 a Certificate of Assumed Name was filed with the Michigan Department of Labor and Economic Growth - Bureau of Commercial Services, Corporation Division, to list "KAY AGENCY" as an assumed name under which HEALTHINSURANCEGIANT.COM, INC. will transact business.
16. On October 29, 2005 a Certificate of Renewal of Assumed Name was filed with the Michigan Department of Labor and Economic Growth - Bureau of Commercial Services, Corporation Division, which continued to list Respondent, Michael R. Kay, as the President of HEALTHINSURANCEGIANT.COM, INC.
17. Respondents Joyce H. Gibbs, Michael R. Kay, Laura Kay, KAY AGENCY, KAY AGENCY, INC and HEALTHINSURANCEGIANT.COM, INC. are hereafter, and collectively referred to Respondents.
18. Respondent Joyce H. Gibbs is not a licensed resident insurance producer in the State of Michigan with qualifications or authorization to sell any form of insurance within the State of Michigan.
19. Respondent Laura Kay is not a licensed resident insurance producer in the State of Michigan with qualifications or authorization to sell any form of insurance within the State of Michigan.
20. Respondent HEALTHINSURANCEGIANT.COM, INC. is not a licensed insurance agency or a licensed insurance producer with qualifications or authorization to sell any form of insurance within the State of Michigan.
21. Respondent, KAY AGENCY and/or KAY AGENCY INC. is not a licensed insurance agency or a licensed insurance producer with qualifications or authorization to sell any form of insurance within the State of Michigan.

22. Respondents continue to solicit insurance business through the unlicensed entities HEALTHINSURANCEGIANT.COM, INC. and/or KAY AGENCY and/or KAY AGENCY INC.

### CONCLUSIONS OF LAW

**WHEREAS**, an "Insurance producer" means a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance, as defined in Chapter 12, Section 1201 (e) of the Michigan Insurance Code, as amended, MCL 500.100 *et seq.*, and

**WHEREAS**, Section 1201a of the Act, MCL 500.1201a, states that a person shall not sell, solicit, or negotiate insurance in this state for any line of insurance unless the person is licensed for that qualification in accordance with the Act; and

**WHEREAS**, Section 251 of the Act, MCL 500.251, states that in the reasonable exercise of discretion, the Commissioner may issue a cease and desist order if the Commissioner finds any of the following:

- (a) A person is conducting transactions of insurance for which a certificate of authority is required by this act without having obtained a certificate of authority.
- (b) A person is acting as an insurance agent, solicitor, adjuster, or counselor without a license as required by this act.
- (c) A person is engaged in an act or practice in the business of insurance for which authority from or notification to the commissioner is required by this act and the person has not received authority or given notification; and

**WHEREAS**, Respondent Joyce H. Gibbs continues to allow the business of soliciting insurance through KAY AGENCY, INC. as an insurance agency or an insurance producer without that entity being licensed; and

**WHEREAS**, Respondent Laura Kay, continues to allow the business of soliciting insurance through KAY AGENCY INC. and/or HEALTHINSURANCEGIANT.COM, INC. as an insurance agency or an insurance producer without either entity being licensed; and

**WHEREAS**, Respondent Michael R. Kay continues to allow the business of soliciting insurance through KAY AGENCY INC. and/or HEALTHINSURANCEGIANT.COM, INC. as an insurance agency or an insurance producer without either entity being licensed; and

**WHEREAS**, Respondent KAY AGENCY, INC. and/or KAY AGENCY continue to directly or indirectly to solicit insurance without being licensed; and

**WHEREAS**, Respondent HEALTHINSURANCEGIANT.COM, INC. continues to solicit insurance without being licensed; and

**WHEREAS**, the Commissioner finds this action necessary and appropriate in the public interest, for the protection of the public and consistent with the purposes fairly intended by the policy and provisions of the Act;

**IT IS THEREFORE ORDERED** that:

1. Respondents shall immediately **CEASE AND DESIST** from soliciting or conducting any transactions of insurance in the name of or on behalf of KAY AGENCY, KAY AGENCY, INC., and/or HEALTHINSURANCEGIANT.COM, INC. without those entities having obtained a license as required by law;
2. Failure to comply with this ORDER will individually subject Respondents to one or more of the following:
  - (a) A civil penalty of not more than \$1,000.00 for each violation of this Act, not to exceed a total of \$30,000, or
  - (b) A civil penalty of not more than \$25,000.00 for each knowing violation of this Act, not to exceed an aggregate civil fine of \$250,000.00.
  - (c) The Commissioner may also recover reasonable attorney fees if judicial action is necessary for enforcement.

A person or entity who is the subject of a cease and desist order may contest the order by requesting a hearing before the Commissioner not later than 30 days after the order is delivered or mailed to the person. Within 10 days after receiving the request, the Commissioner shall commence a hearing in accordance with the administrative procedures act of 1969, Act no. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws. Pending the hearing, the cease and desist order continues in full force and effect unless the order is stayed by the Commissioner. Any request for a hearing should be addressed to: the Office of Financial and Insurance Services, Attention: Hearing Coordinator Dawn Kobus, P.O. Box 30220, Lansing, Michigan 48909.

MICHIGAN OFFICE OF FINANCIAL AND  
INSURANCE REGULATION

Dated: 1/14/09

By: Stephen R. Hilker  
Stephen R. Hilker  
Chief Deputy Commissioner